

FOR IMMEDIATE RELEASE

LSB PUBLISHES ANNUAL REPORT FOR 2010/11

ANNUAL REPORT SETS OUT PROGRESS IN DELIVERING REFORM OF LEGAL SERVICES REGULATION

The Legal Services Board - the independent body overseeing the regulation of lawyers in England and Wales – has today published its Annual Report and Accounts for the year 2010/11. The document was laid before Parliament earlier today.

This, the LSB's third Annual Report, is the first to cover a full year of the new regulatory regime for legal services, which became active in January 2010. The new arrangements are just one part of a wide-ranging programme of modernisation for legal services in England and Wales.

The annual report describes how the LSB delivered the priorities set out in its 2010/11 Business Plan and its statutory objectives. The financial statements also reveal that the Board was able to deliver its work programme cost effectively – with an under-spend of approximately £200,000. This saving will be passed on to approved regulators who fund the LSB, through reduced levy bills in 2011/12.

At its creation, the LSB set out three core priorities. These were to secure independence in regulation, to open up the legal services market and to ensure effective redress for consumers when service falls short.

The Annual Report describes the following progress:

- The approved regulators were, for the first time, assessed against a set of Internal Governance Rules – designed to ensure independence of regulatory functions from representative arms

- Work on the ABS licensing framework kept pace with a timeline that will see the emergence of the new business models during October 2011, subject to the Parliamentary timetable. This will increase choice for consumers and allow greater organisational flexibility for lawyers
- The opening of the new Legal Ombudsman, backed by new requirements for complaints handling by lawyers themselves, marking a fresh start for complaints handling in the sector.

The Board also published a wide-ranging series of reports into the legal sector including the legal services needs of small businesses, economic research into the impact of referral fees and the challenges facing female and BME lawyers in England and Wales. The Board also started an investigation into the regulation of will-writing.

David Edmonds, Chairman of the Legal Services Board said:

Our report shows a substantial record of achievement in 2010/11 as the Board continued to shape and accelerate the process of regulatory and market reform commenced by the Legal Services Act 2007.

We have challenged outdated restrictions – and sought to reflect the needs of modern consumers – but always within a framework of pursuing the broader public interest, supporting the rule of law and the highest standards of professional practice. The progress we made in the last year will lead to real benefits for consumers in the course of 2011/12, especially as the first Alternative Business Structures open their doors and traditional firms begin themselves to modernise and innovate.

For more information, please contact Julie Myers, Corporate Director, on julie.myers@legalservicesboard.org.uk or by calling 020 7271 0050.

Notes for editors:

1. The Annual Report can be found [here](#).
2. The Legal Services Act (“The Act”) created the Legal Services Board as a new regulator with responsibility for overseeing the regulation of legal services in England and Wales. The new regulatory regime became active on 1 January 2010.
3. The LSB oversees eight Approved Regulators, which in turn regulate individual lawyers. The Approved Regulators, designated under Part 1 of Schedule 4 of the 2007 Act, are the Law Society, the Bar Council, the Master of the Faculties, the Institute of Legal Executives, the Council for Licensed Conveyancers, the Chartered Institute of Patent Attorneys, the Institute of Trade Mark Attorneys and the Association of Costs Lawyers.

4. In addition, the Institute of Chartered Accountants in Scotland and the Association of Chartered Certified Accountants are listed as Approved Regulators in relation only to reserved probate activities.

5. The legal profession currently consists of some 15,000 barristers, 119,000 solicitors and 12,000 individuals operating in other aspects of the legal profession such as conveyancing. The sector was valued at £24.74 billion per annum (total turnover) in 2009.